



General Assembly

February Session, 2010

Raised Bill No. 5508

LCO No. 2314

02314_____ET_

Referred to Committee on Energy and Technology

Introduced by:
(ET)

***AN ACT ESTABLISHING THE DIVISION OF ELECTRICITY POLICY
AND PROCUREMENT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective October 1, 2010*) (a) There is established a
2 Division of Electricity Policy and Procurement, which shall be within
3 the Public Utilities Control Authority.
- 4 (b) The Division of Electricity Policy and Procurement shall, in
5 accordance with the comprehensive plan approved pursuant to section
6 16a-3a of the general statutes, (1) increase the state's energy
7 independence by promoting conservation and efficiency and the use of
8 diverse indigenous and regional electric resources; (2) encourage the
9 use of new electric technologies, particularly technologies that support
10 economic development in the state and promote environmental
11 sustainability; (3) minimize costs of electric services to state consumers
12 while maintaining reliable service; (4) discourage undue price
13 volatility of electric service; and (5) encourage competition, when in
14 the interests of state consumers.
- 15 (c) The chairperson of the Public Utilities Control Authority shall

16 appoint an executive director, who shall be the chief administrative
17 officer of the Division of Electricity Policy and Procurement and who
18 shall have no less than ten years experience in electric procurement,
19 conservation and renewable energy policy. Said chairperson shall
20 supervise the executive director, who shall serve for a four-year term.
21 The executive director (1) shall conduct comprehensive planning with
22 respect to the functions of the division; (2) shall coordinate the
23 activities of the division; (3) shall cause the administrative organization
24 of the division to be examined with a view to promoting economy and
25 efficiency; (4) may enter into such contractual agreements, in
26 accordance with established procedures, as may be necessary for the
27 discharge of his duties; and (5) may, subject to the provisions of section
28 4-32 of the general statutes, and unless otherwise provided by law,
29 receive any money, revenue or services from the federal government,
30 corporations, associations or individuals, including payments from the
31 sale of printed matter or any other material or services. The executive
32 director shall require the staff of the division to have expertise in
33 public utility engineering and accounting, finance, economics,
34 computers and rate design. Within available funds in any fiscal year,
35 the executive director may appoint a secretary and may employ such
36 accountants, clerical assistants, engineers, inspectors, experts,
37 consultants and agents as the division may require.

38 (d) The Division of Electricity Policy and Procurement under the
39 direction of the executive director may (1) hire three employees, one
40 each specializing in power procurement, energy efficiency and
41 renewables, (2) contract with consultants, and (3) adopt any policies
42 for internal organization as necessary.

43 Sec. 2. Section 16a-3b of the general statutes is repealed and the
44 following is substituted in lieu thereof (*Effective October 1, 2010*):

45 (a) The [Department of Public Utility Control] Division of Electricity
46 Policy and Procurement shall oversee the implementation of the
47 procurement plan approved by the [Department of Public Utility

48 Control] Public Utilities Control Authority pursuant to section 16a-3a.
49 The electric distribution companies shall implement the demand-side
50 measures, including, but not limited to, energy efficiency, load
51 management, demand response, combined heat and power facilities,
52 distributed generation and other emerging energy technologies,
53 specified in said procurement plan through the comprehensive
54 conservation and load management plan prepared pursuant to section
55 16-245m for review by the Energy Conservation Management Board.
56 The electric distribution companies shall submit proposals to
57 appropriate regulatory agencies to address transmission and
58 distribution upgrades as specified in said procurement plan.

59 (b) If the procurement plan specifies the construction of a generating
60 facility, the [department] division shall develop and issue a request for
61 proposals, shall publish such request for proposals in one or more
62 newspapers or periodicals, as selected by the [department] division,
63 and shall post such request for proposals on its web site. Pursuant to a
64 nondisclosure agreement, the [department] division shall make
65 available to the Office of Consumer Counsel and the Attorney General
66 all confidential bid information it receives pursuant to this subsection,
67 provided the bids and any analysis of such bids shall not be subject to
68 disclosure under the Freedom of Information Act. Three months after
69 the [department] division issues a final decision, it shall make available
70 all financial bid information, provided such information regarding the
71 bidders not selected be presented in a manner that conceals the
72 identities of such bidders.

73 (1) On and after July 1, 2008, an electric distribution company may
74 submit proposals in response to a request for proposals on the same
75 basis as other respondents to the solicitation. A proposal submitted by
76 an electric distribution company shall include its full projected costs
77 such that any project costs recovered from or defrayed by ratepayers
78 are included in the projected costs. An electric distribution company
79 submitting any such bid shall demonstrate to the satisfaction of the
80 [department] division that its bid is not supported in any form of cross

81 subsidization by affiliated entities. If the [department] division
82 approves such electric distribution company's proposal, the costs and
83 revenues of such proposal shall not be included in calculating such
84 company's earning for purposes of, or in determining whether its rates
85 are just and reasonable under, sections 16-19, 16-19a and 16-19e, as
86 amended by this act. An electric distribution company shall not
87 recover more than the full costs identified in any approved proposal.
88 Affiliates of the electric distribution company may submit proposals
89 pursuant to section 16-244h, regulations adopted pursuant to section
90 16-244h and other requirements the [department] division may
91 impose.

92 (2) If the [department] division selects a nonelectric distribution
93 company proposal, an electric distribution company shall, within
94 thirty days of the selection of a proposal by the [department] division,
95 negotiate in good faith the final terms of a contract with a generating
96 facility and shall apply to the [department] division for approval of
97 such contract. Upon [department] the division's approval, the electric
98 distribution company shall enter into such contract.

99 (3) The [department] division shall determine the appropriate
100 manner of cost recovery for proposals selected pursuant to this section.

101 (4) The [department] division may retain the services of a third-
102 party entity with expertise in the area of energy procurement to
103 oversee the development of the request for proposals and to assist the
104 department in its approval of proposals pursuant to this section. The
105 reasonable and proper expenses for retaining such third-party entity
106 shall be recoverable through the generation services charge.

107 (c) The electric distribution companies shall issue requests for
108 proposals to acquire any other resource needs not identified in
109 subsection (a) or (b) of this section but specified in the procurement
110 plan approved by the [Department of Public Utility Control] Public
111 Utilities Control Authority pursuant to section 16a-3a. Such requests
112 for proposals shall be subject to approval by the [department] division.

113 Sec. 3. Section 16a-3c of the general statutes is repealed and the
114 following is substituted in lieu thereof (*Effective October 1, 2010*):

115 [(a) On and after July 1, 2009, if] If the [Department of Public Utility
116 Control] Division of Electricity Policy and Procurement does not
117 receive and approve proposals pursuant to the requests for proposals
118 processes, pursuant to section 16a-3b, as amended by this act,
119 sufficient to reach the goal set by the plan approved pursuant to
120 section 16a-3a, the [department] division may order an electric
121 distribution company to submit for the [department's] division's
122 review in a contested case proceeding, in accordance with chapter 54, a
123 proposal to build and operate an electric generation facility in the state.
124 An electric distribution company shall be eligible to recover its
125 prudently incurred costs consistent with the principles set forth in
126 section 16-19e, as amended by this act, for any generation project
127 approved pursuant to this section.

128 [(b) On or before January 1, 2008, the department shall initiate a
129 contested case proceeding to determine the costs and benefits of the
130 state serving as the builder of last resort for the shortfall of megawatts
131 from said request for proposal process.]

132 Sec. 4. (NEW) (*Effective October 1, 2010*) The Division of Electricity
133 Policy and Procurement may own and operate electric power plants
134 and may provide financial assistance, including low-interest loans to
135 encourage the development of necessary electric generation facilities
136 by the electric distribution companies or private entities, provided
137 electricity generated at such facilities shall be sold through the electric
138 distribution companies or the Connecticut Municipal Electric Energy
139 Cooperative for use by Connecticut consumers at cost of service with a
140 reasonable rate of return, as determined by the Department of Public
141 Utility Control. The Division of Electricity Policy and Procurement
142 may enter into contracts with electricity generators, suppliers and such
143 other persons as necessary to carry out the purposes of this section.

144 Sec. 5. Subsection (c) of section 16-244c of the general statutes is

145 repealed and the following is substituted in lieu thereof (*Effective*
146 *October 1, 2010*):

147 (c) (1) On and after January 1, 2007, each electric distribution
148 company shall provide electric generation services through standard
149 service to any customer who (A) does not arrange for or is not
150 receiving electric generation services from an electric supplier, and (B)
151 does not use a demand meter or has a maximum demand of less than
152 five hundred kilowatts.

153 (2) Not later than October 1, 2006, and periodically as required by
154 subdivision (3) of this subsection, but not more often than every
155 calendar quarter, the Department of Public Utility Control shall
156 establish the standard service price for such customers pursuant to
157 subdivision (3) of this subsection. Each electric distribution company
158 shall recover the actual net costs of procuring and providing electric
159 generation services pursuant to this subsection, provided such
160 company mitigates the costs it incurs for the procurement of electric
161 generation services for customers who are no longer receiving service
162 pursuant to this subsection.

163 (3) An electric distribution company providing electric generation
164 services pursuant to this subsection shall mitigate the variation of the
165 price of the service offered to its customers by procuring electric
166 generation services contracts in the manner prescribed in a plan
167 approved by the department. Such plan shall require the procurement
168 of a portfolio of service contracts sufficient to meet the projected load
169 of the electric distribution company. Such plan shall require that the
170 portfolio of service contracts be procured in an overlapping pattern of
171 fixed periods at such times and in such manner and duration as the
172 department determines to be most likely to produce just, reasonable
173 and reasonably stable retail rates while reflecting underlying
174 wholesale market prices over time. The portfolio of contracts shall be
175 assembled in such manner as to invite competition; guard against
176 favoritism, improvidence, extravagance, fraud and corruption; and

177 secure a reliable electricity supply while avoiding unusual, anomalous
 178 or excessive pricing. The portfolio of contracts procured under such
 179 plan shall be for terms of not less than six months, provided contracts
 180 for shorter periods may be procured under such conditions as the
 181 department shall prescribe to (A) ensure the lowest rates possible for
 182 end-use customers; (B) ensure reliable service under extraordinary
 183 circumstances; and (C) ensure the prudent management of the contract
 184 portfolio. An electric distribution company may receive a bid for an
 185 electric generation services contract from any of its generation entities
 186 or affiliates, provided such generation entity or affiliate submits its bid
 187 the business day preceding the first day on which an unaffiliated
 188 electric supplier may submit its bid and further provided the electric
 189 distribution company and the generation entity or affiliate are in
 190 compliance with the code of conduct established in section 16-244h.

191 (4) The [department] Division of Electricity Policy and Procurement,
 192 in consultation with the Office of Consumer Counsel, shall retain the
 193 services of a third-party entity with expertise in the area of energy
 194 procurement to oversee the initial development of the request for
 195 proposals and the procurement of contracts by an electric distribution
 196 company for the provision of electric generation services offered
 197 pursuant to this subsection. Costs associated with the retention of such
 198 third-party entity shall be included in the cost of electric generation
 199 services that is included in such price.

200 (5) Each bidder for a standard service contract shall submit its bid to
 201 the electric distribution company and the third-party entity who shall
 202 jointly review the bids, conduct a cost-based analysis of such bids and
 203 submit an overview of all bids together with a joint recommendation
 204 to the [department] division as to the preferred bidders. Said division
 205 shall make available to the Office of Consumer Counsel and the
 206 Attorney General all bids it receives pursuant to this subsection,
 207 provided the Office of Consumer Counsel and the Attorney General
 208 shall not make the bids available to the public until the division does
 209 so pursuant to subdivision (6) of this subsection, except that the

210 Attorney General may share such information if such action is
211 necessary for any law enforcement purposes. The [department]
212 division may, [within] not later than ten business days [of] after
213 submission of the overview, reject the recommendation regarding
214 preferred bidders if the bids are not in the best interest of the electric
215 distribution company's customers. In analyzing the bids, the division
216 shall determine if they are consistent with the state's integrated
217 resource plan. In the event that the [department] division rejects the
218 preferred bids, the [electric distribution company and the third-party
219 entity] division shall rebid the service pursuant to this subdivision.

220 (6) Upon the Division of Electricity Policy and Procurement's
221 approval of the preferred bids, the electric distribution company shall
222 enter into contracts with approved bidders in accordance with contract
223 terms established by the division. All bids received by the division
224 during the procurement process shall be available for public review
225 three months after division rejection, provided such information
226 regarding the bidders not selected shall be presented in a manner that
227 conceals the identities of such bidders.

228 (7) Not later than October 1, 2010, and biennially thereafter, the
229 Division of Electricity Policy and Procurement shall conduct a
230 contested case proceeding in accordance with chapter 54 to review the
231 efficacy of the contract procurement process held pursuant to this
232 subsection.

233 Sec. 6. (NEW) (Effective October 1, 2010) The Division of Electricity
234 Policy and Procurement may negotiate contracts on behalf of electric
235 distribution companies with electricity generators for the provision of
236 electric generation services offered pursuant to subsection (c) of section
237 16-244c of the general statutes, as amended by this act. Such
238 negotiation may be in connection with the provision of financing or
239 other assistance to an electricity generation services supplier for the
240 construction or reconstruction of a generation facility. Such contracts
241 shall be in the best interests of ratepayers and shall offer a reduction in

242 electricity costs to those consumers receiving electric generation
 243 services pursuant to said subsection. The Public Utility Control
 244 Authority, in consultation with the electric distribution companies,
 245 shall review such contracts and shall approve a contract if the
 246 authority determines that such contract is (1) consistent with the
 247 principles of section 16-19e of the general statutes, as amended by this
 248 act, (2) in the best interests of ratepayers, and (3) reduces electricity
 249 costs to those consumers receiving electric generation services
 250 pursuant to said subsection. Upon the authority's approval, an electric
 251 distribution company shall enter into such contract with the approved
 252 electric generation services supplier.

253 Sec. 7. Section 16-4 of the general statutes is repealed and the
 254 following is substituted in lieu thereof (*Effective October 1, 2010*):

255 No officer, employee, attorney or agent of any public service
 256 company, of any certified telecommunications provider or of any
 257 electric supplier shall be a member of the Public Utilities Control
 258 Authority or an employee of the Department of Public Utility Control
 259 or the Division of Electricity Policy and Procurement.

260 Sec. 8. Section 16a-3 of the general statutes is repealed and the
 261 following is substituted in lieu thereof (*Effective October 1, 2010*):

262 (a) There is established a Connecticut Energy Advisory Board
 263 consisting of [fifteen] sixteen members, including the Commissioner of
 264 Environmental Protection, the chairperson of the Public Utilities
 265 Control Authority, the executive director of the Division of Electricity
 266 Policy and Procurement, the Commissioner of Transportation, the
 267 Consumer Counsel, the Commissioner of Agriculture, and the
 268 Secretary of the Office of Policy and Management, or their respective
 269 designees. The Governor shall appoint a representative of an
 270 environmental organization knowledgeable in energy efficiency
 271 programs, a representative of a consumer advocacy organization and a
 272 representative of a state-wide business association. The president pro
 273 tempore of the Senate shall appoint a representative of a chamber of

274 commerce, a representative of a state-wide manufacturing association
275 and a member of the public considered to be an expert in electricity,
276 generation, procurement or conservation programs. The speaker of the
277 House of Representatives shall appoint a representative of low-income
278 ratepayers, a representative of state residents, in general, with
279 expertise in energy issues and a member of the public considered to be
280 an expert in electricity, generation, procurement or conservation
281 programs. All appointed members shall serve in accordance with
282 section 4-1a. No appointee may be employed by, or a consultant of, a
283 public service company, as defined in section 16-1, or an electric
284 supplier, as defined in section 16-1, or an affiliate or subsidiary of such
285 company or supplier.

286 (b) The board shall (1) represent the state in regional energy system
287 planning processes conducted by the regional independent system
288 operator, as defined in section 16-1; (2) encourage representatives from
289 the municipalities that are affected by a proposed project of regional
290 significance to participate in regional energy system planning
291 processes conducted by the regional independent system operator; (3)
292 participate in a forecast proceeding conducted pursuant to subsection
293 (a) of section 16-50r; (4) participate in a life-cycle proceeding conducted
294 pursuant to subsection (b) of section 16-50r; (5) advise the Division of
295 Electricity Policy and Procurement, and ~~[(5)]~~ (6) review the
296 procurement plan submitted by the electric distribution companies
297 pursuant to section 16a-3a.

298 (c) The board shall elect a chairman and a vice-chairman from
299 among its members and shall adopt such rules of procedure as are
300 necessary to carry out its functions.

301 (d) The board shall convene its first meeting not later than
302 September 1, 2003. A quorum of the board shall consist of two-thirds
303 of the members currently serving on the board.

304 (e) The board shall employ such staff as is required for the proper
305 discharge of its duties. The board may also retain any third-party

306 consultants it deems necessary to accomplish the goals set forth in
307 subsection (b) of this section. The board shall annually submit to the
308 Department of Public Utility Control a proposal regarding the level of
309 funding required for the discharge of its duties, which proposal shall
310 be approved by the department either as submitted or as modified by
311 the department.

312 (f) The Connecticut Energy Advisory Board shall be within the
313 Office of Policy and Management for administrative purposes only.

314 Sec. 9. Subsection (a) of section 4-65a of the general statutes is
315 repealed and the following is substituted in lieu thereof (*Effective*
316 *October 1, 2010*):

317 (a) There shall be an Office of Policy and Management which shall
318 be responsible for all aspects of state staff planning and analysis in the
319 areas of budgeting, management, planning, energy policy
320 determination and evaluation, except to the extent such policies are
321 under the authority of the Division of Electricity Policy and
322 Procurement, intergovernmental policy, criminal and juvenile justice
323 planning and program evaluation. The department head shall be the
324 Secretary of the Office of Policy and Management, who shall be
325 appointed by the Governor in accordance with the provisions of
326 sections 4-5, 4-6, 4-7 and 4-8, with all the powers and duties therein
327 prescribed. The Secretary of the Office of Policy and Management shall
328 be the employer representative (1) in collective bargaining negotiations
329 concerning changes to the state employees retirement system and
330 health and welfare benefits, and (2) in all other matters involving
331 collective bargaining, including negotiation and administration of all
332 collective bargaining agreements and supplemental understandings
333 between the state and the state employee unions concerning all
334 executive branch employees except (A) employees of the Division of
335 Criminal Justice, and (B) faculty and professional employees of boards
336 of trustees of constituent units of the state system of higher education.
337 The secretary may designate a member of the secretary's staff to act as

338 the employer representative in the secretary's place.

339 Sec. 10. Subdivision (2) of subsection (e) of section 4a-57 of the
340 general statutes is repealed and the following is substituted in lieu
341 thereof (*Effective October 1, 2010*):

342 (2) Any purchase of or contract by the department for electric
343 generation services that are subject to competitive bidding and
344 competitive negotiations shall be conducted in cooperation with the
345 [Office of Policy and Management] Division of Electricity Policy and
346 Procurement pursuant to section 16a-14e.

347 Sec. 11. Subsection (c) of section 16-19e of the general statutes is
348 repealed and the following is substituted in lieu thereof (*Effective*
349 *October 1, 2010*):

350 (c) The Department of Public Utility Control shall consult at least
351 once each year with the Commissioner of Environmental Protection,
352 the Connecticut Siting Council, the Division of Electricity Policy and
353 Procurement and the Office of Policy and Management, so as to
354 coordinate and integrate its actions, decisions and policies pertaining
355 to gas and electric companies, so far as possible, with the actions,
356 decisions and policies of said other agencies and instrumentalities in
357 order to further the development and optimum use of the state's
358 energy resources and conform to the greatest practicable extent with
359 the state energy policy as stated in section 16a-35k, taking into account
360 prudent management of the natural environment and continued
361 promotion of economic development within the state. In the
362 performance of its duties, the department shall take into consideration
363 the energy policies of the state as expressed in this subsection and in
364 any annual reports prepared or filed by such other agencies and
365 instrumentalities, and shall defer, as appropriate, to any actions taken
366 by such other agencies and instrumentalities on matters within their
367 respective jurisdictions.

368 Sec. 12. Subsection (d) of section 16a-48 of the general statutes is

369 repealed and the following is substituted in lieu thereof (*Effective*
370 *October 1, 2010*):

371 (d) (1) The [office] Division of Electricity Policy and Procurement, in
372 consultation with the Department of Public Utility Control, shall adopt
373 regulations, in accordance with the provisions of chapter 54, to
374 implement the provisions of this section and to establish minimum
375 energy efficiency standards for the types of new products set forth in
376 subsection (b) of this section. The regulations shall provide for the
377 following minimum energy efficiency standards:

378 (A) Commercial clothes washers shall meet the requirements shown
379 in Table P-3 of section 1605.3 of the California Code of Regulations,
380 Title 20: Division 2, Chapter 4, Article 4;

381 (B) Commercial refrigerators and freezers shall meet the August 1,
382 2004, requirements shown in Table A-6 of said California regulation;

383 (C) Illuminated exit signs shall meet the version 2.0 product
384 specification of the "Energy Star Program Requirements for Exit Signs"
385 developed by the United States Environmental Protection Agency;

386 (D) Large packaged air-conditioning equipment having not more
387 than seven hundred sixty thousand BTUs per hour of capacity shall
388 meet a minimum energy efficiency ratio of 10.0 for units using both
389 electric heat and air conditioning or units solely using electric air
390 conditioning, and 9.8 for units using both natural gas heat and electric
391 air conditioning;

392 (E) Large packaged air-conditioning equipment having not less than
393 seven hundred sixty-one thousand BTUs per hour of capacity shall
394 meet a minimum energy efficiency ratio of 9.7 for units using both
395 electric heat and air conditioning or units solely using electric air
396 conditioning, and 9.5 for units using both natural gas heat and electric
397 air conditioning;

398 (F) Low voltage dry-type distribution transformers shall meet or

399 exceed the energy efficiency values shown in Table 4-2 of the National
400 Electrical Manufacturers Association Standard TP-1-2002;

401 (G) Torchiere lighting fixtures shall not consume more than one
402 hundred ninety watts and shall not be capable of operating with lamps
403 that total more than one hundred ninety watts;

404 (H) Traffic signal modules shall meet the product specification of
405 the "Energy Star Program Requirements for Traffic Signals" developed
406 by the United States Environmental Protection Agency that took effect
407 in February, 2001, except where the department, in consultation with
408 the Commissioner of Transportation, determines that such
409 specification would compromise safe signal operation;

410 (I) Unit heaters shall not have pilot lights and shall have either
411 power venting or an automatic flue damper;

412 (J) On or after January 1, 2009, residential furnaces and boilers
413 purchased by the state shall meet or exceed the following annual fuel
414 utilization efficiency: (i) For gas and propane furnaces, ninety per cent
415 annual fuel utilization efficiency, (ii) for oil furnaces, eighty-three per
416 cent annual fuel utilization efficiency, (iii) for gas and propane hot
417 water boilers, eighty-four per cent annual fuel utilization efficiency,
418 (iv) for oil-fired hot water boilers, eighty-four per cent annual fuel
419 utilization efficiency, (v) for gas and propane steam boilers, eighty-two
420 per cent annual fuel utilization efficiency, (vi) for oil-fired steam
421 boilers, eighty-two per cent annual fuel utilization efficiency, and (vii)
422 for furnaces with furnace air handlers, an electricity ratio of not more
423 than 2.0, except air handlers for oil furnaces with a capacity of less than
424 ninety-four thousand BTUs per hour shall have an electricity ratio of
425 2.3 or less;

426 (K) On or after January 1, 2010, metal halide lamp fixtures designed
427 to be operated with lamps rated greater than or equal to one hundred
428 fifty watts but less than or equal to five hundred watts shall not
429 contain a probe-start metal halide lamp ballast;

430 (L) Single-voltage external AC to DC power supplies manufactured
431 on or after January 1, 2008, shall meet the energy efficiency standards
432 of table U-1 of section 1605.3 of the January 2006 California Code of
433 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
434 Efficiency Regulations. This standard applies to single voltage AC to
435 DC power supplies that are sold individually and to those that are sold
436 as a component of or in conjunction with another product. This
437 standard shall not apply to single voltage external AC to DC power
438 supplies sold with products subject to certification by the United States
439 Food and Drug Administration. A single-voltage external AC to DC
440 power supply that is made available by a manufacturer directly to a
441 consumer or to a service or repair facility after and separate from the
442 original sale of the product requiring the power supply as a service
443 part or spare part shall not be required to meet the standards in said
444 table U-1 until five years after the effective dates indicated in the table;

445 (M) On or after January 1, 2009, state regulated incandescent
446 reflector lamps shall be manufactured to meet the minimum average
447 lamp efficacy requirements for federally-regulated incandescent
448 reflector lamps contained in 42 USC 6295(i)(1)(A). Each lamp shall
449 indicate the date of manufacture;

450 (N) On or after January 1, 2009, bottle-type water dispensers,
451 commercial hot food holding cabinets, portable electric spas, walk-in
452 refrigerators and walk-in freezers shall meet the efficiency
453 requirements of section 1605.3 of the January 2006 California Code of
454 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
455 Efficiency Regulations. On or after January 1, 2010, residential pool
456 pumps shall meet said efficiency requirements;

457 (O) On or after January 1, 2009, pool heaters shall meet the
458 efficiency requirements of sections 1605.1 and 1605.3 of the January
459 2006 California Code of Regulations, Title 20, Division 2, Chapter 4,
460 Article 4: Appliance Efficiency Regulations.

461 (2) Such efficiency standards, where in conflict with the State

462 Building Code, shall take precedence over the standards contained in
463 the Building Code. Not later than July 1, 2007, and biennially
464 thereafter, the office, in consultation with the Department of Public
465 Utility Control, shall review and increase the level of such efficiency
466 standards by adopting regulations in accordance with the provisions
467 of chapter 54 upon a determination that increased efficiency standards
468 would serve to promote energy conservation in the state and would be
469 cost-effective for consumers who purchase and use such new products,
470 provided no such increased efficiency standards shall become effective
471 within one year following the adoption of any amended regulations
472 providing for such increased efficiency standards.

473 (3) The office, in consultation with the Department of Public Utility
474 Control, shall adopt regulations, in accordance with the provisions of
475 chapter 54, to designate additional products to be subject to the
476 provisions of this section and to establish efficiency standards for such
477 products upon a determination that such efficiency standards (A)
478 would serve to promote energy conservation in the state, (B) would be
479 cost-effective for consumers who purchase and use such new products,
480 and (C) that multiple products are available which meet such
481 standards, provided no such efficiency standards shall become
482 effective within one year following their adoption pursuant to this
483 subdivision.

484 Sec. 13. Section 16-246e of the general statutes is repealed and the
485 following is substituted in lieu thereof (*Effective October 1, 2010*):

486 (a) The Governor may designate the [Department of Public Utility
487 Control] Division of Electricity Policy and Procurement as the agent of
488 the state, subject only to the limitation under subsection (b) of this
489 section, to conduct negotiations and perform all acts necessary to
490 procure electric power capacity, power output from such capacity or
491 both from any out-of-state electric power producer, to transmit it to
492 within the state and to sell or resell it on a nonprofit basis for
493 distribution within the state to electric companies, as defined in section

494 16-1, municipal electric utilities established under chapter 101,
 495 municipal electric energy cooperatives organized under chapter 101a,
 496 membership electric cooperatives organized under chapter 597 and
 497 such other persons or entities as may be designated by the [governor]
 498 Governor. The [department] division, if designated as such agent, shall
 499 arrange for the sale or resale of such power on an equitable basis and
 500 in such manner as it finds will most effectively promote the objectives
 501 of this title, chapters 101, 101a and 597, and section 16a-35k, subject to
 502 any conditions or limitations imposed by the out-of-state electric
 503 power producer selling such power. The [department] division, if so
 504 designated, may also enter into any contracts or other arrangements
 505 for the sale or resale of such power for transmission outside the state if
 506 such sale or resale is reasonably incidental to and furthers the needs of
 507 the state and the purposes of this section.

508 (b) The [department] division shall submit any final action it takes
 509 under subsection (a) of this section to the Governor, who may, not later
 510 than sixty days after such submission, disapprove such action by
 511 notifying the [department] division in writing of such disapproval and
 512 the reasons for it.

513 (c) Such division's responsibilities and duties shall include, but not
 514 be limited to, (1) establishing goals to develop green jobs in
 515 Connecticut, (2) overseeing the implementation of such green job
 516 goals, (3) acting as the state's lead agency for federal green job funding,
 517 (4) monitoring and reporting on the number of green jobs, and (5)
 518 implementing goals for conservation and the development of
 519 renewable sources established pursuant to the procurement plan
 520 submitted pursuant to section 16a-3a of the general statutes.

521 Sec. 14. Section 16-2 of the general statutes is repealed and the
 522 following is substituted in lieu thereof (*Effective from passage*):

523 (a) There shall continue to be a Public Utilities Control Authority,
 524 which shall consist of [~~five~~] seven electors of this state, appointed by
 525 the Governor with the advice and consent of both houses of the

526 General Assembly. Not more than [three] four members of said
527 authority in office at any one time shall be members of any one
528 political party. On or before July 1, 1983, and quadrennially thereafter,
529 the Governor shall appoint three members to the authority; [and] on or
530 before July 1, 1985, and quadrennially thereafter, the Governor shall
531 appoint two members; and on or before July 1, 2010, and
532 quadrennially thereafter, the Governor shall appoint two members. All
533 such members shall serve for a term of four years. The procedure
534 prescribed by section 4-7 shall apply to such appointments, except that
535 the Governor shall submit each nomination on or before May first, and
536 both houses shall confirm or reject it before adjournment sine die. The
537 commissioners shall be sworn to the faithful performance of their
538 duties.

539 (b) The authority shall elect a chairperson and vice-chairperson each
540 June for one-year terms starting on July first of the same year. The vice-
541 chairperson shall perform the duties of the chairperson in his absence.

542 (c) Any matter coming before the authority may be assigned by the
543 chairperson to a panel of [three] five commissioners, not more than
544 [two] four of whom shall be members of the same political party.
545 Except as otherwise provided by statute or regulation, the panel shall
546 determine whether a public hearing shall be held on the matter, and
547 may designate one or two of its members to conduct such hearing or
548 appoint an examiner to ascertain the facts and report thereon to the
549 panel. The decision of the panel, if unanimous, shall be the decision of
550 the authority. If the decision of the panel is not unanimous, the matter
551 shall be referred to the entire authority for decision.

552 (d) The commissioners of the authority shall serve full time and
553 shall make full public disclosure of their assets, liabilities and income
554 at the time of their appointment, and thereafter each member of the
555 authority shall make such disclosure on or before July thirtieth of each
556 year of such member's term, and shall file such disclosure with the
557 office of the Secretary of the State. Each commissioner shall receive

558 annually a salary equal to that established for management pay plan
559 salary group seventy-five by the Commissioner of Administrative
560 Services, except that the chairperson shall receive annually a salary
561 equal to that established for management pay plan salary group
562 seventy-seven.

563 (e) To insure the highest standard of public utility regulation, on
564 and after October 1, 2007, any newly appointed commissioner of the
565 authority shall have education or training and three or more years of
566 experience in one or more of the following fields: Economics,
567 engineering, law, accounting, finance, utility regulation, public or
568 government administration, consumer advocacy, business
569 management, and environmental management. On and after July 1,
570 1997, at least three of these fields shall be represented on the authority
571 by individual commissioners at all times. Any time a commissioner is
572 newly appointed, at least one of the commissioners shall have
573 experience in utility [customer] consumer advocacy, one in
574 environmental management and one in business management.

575 (f) The chairperson of the authority, with the consent of [two] three
576 or more other members of the authority, shall appoint an executive
577 director, who shall be the chief administrative officer of the
578 Department of Public Utility Control. The executive director shall be
579 supervised by the chairperson of the authority, serve for a term of four
580 years and annually receive a salary equal to that established for
581 management pay plan salary group seventy-two by the Commissioner
582 of Administrative Services. The executive director (1) shall conduct
583 comprehensive planning with respect to the functions of the
584 department; (2) shall coordinate the activities of the department; (3)
585 shall cause the administrative organization of the department to be
586 examined with a view to promoting economy and efficiency; (4) shall,
587 in concurrence with the chairperson of the authority, organize the
588 department into such divisions, bureaus or other units as he deems
589 necessary for the efficient conduct of the business of the department
590 and may from time to time abolish, transfer or consolidate within the

591 department, any division, bureau or other units as may be necessary
592 for the efficient conduct of the business of the department, provided
593 such organization shall include any division, bureau or other unit
594 which is specifically required by the general statutes; (5) shall, for any
595 proceeding on a proposed rate amendment in which staff of the
596 department are to be made a party pursuant to section 16-19j,
597 determine which staff shall appear and participate in the proceedings
598 and which shall serve the members of the authority; (6) may enter into
599 such contractual agreements, in accordance with established
600 procedures, as may be necessary for the discharge of his duties; and (7)
601 may, subject to the provisions of section 4-32, and unless otherwise
602 provided by law, receive any money, revenue or services from the
603 federal government, corporations, associations or individuals,
604 including payments from the sale of printed matter or any other
605 material or services. The executive director shall require the staff of the
606 department to have expertise in public utility engineering and
607 accounting, finance, economics, computers and rate design. Subject to
608 the provisions of chapter 67 and within available funds in any fiscal
609 year, the executive director may appoint a secretary, and may employ
610 such accountants, clerical assistants, engineers, inspectors, experts,
611 consultants and agents as the department may require.

612 (g) No member of the authority or employee of the department
613 shall, while serving as such, have any interest, financial or otherwise,
614 direct or indirect, or engage in any business, employment, transaction
615 or professional activity, or incur any obligation of any nature, which is
616 in substantial conflict with the proper discharge of his duties or
617 employment in the public interest and of his responsibilities as
618 prescribed in the laws of this state, as defined in section 1-85; provided,
619 no such substantial conflict shall be deemed to exist solely by virtue of
620 the fact that a member of the authority or employee of the department,
621 or any business in which such a person has an interest, receives utility
622 service from one or more Connecticut utilities under the normal rates
623 and conditions of service.

624 (h) No member of the authority or employee of the department shall
625 accept other employment which will either impair his independence of
626 judgment as to his official duties or employment or require him, or
627 induce him, to disclose confidential information acquired by him in the
628 course of and by reason of his official duties.

629 (i) No member of the authority or employee of the department shall
630 wilfully and knowingly disclose, for pecuniary gain, to any other
631 person, confidential information acquired by him in the course of and
632 by reason of his official duties or employment or use any such
633 information for the purpose of pecuniary gain.

634 (j) No member of the authority or employee of the department shall
635 agree to accept, or be in partnership or association with any person, or
636 a member of a professional corporation or in membership with any
637 union or professional association which partnership, association,
638 professional corporation, union or professional association agrees to
639 accept any employment, fee or other thing of value, or portion thereof,
640 in consideration of his appearing, agreeing to appear, or taking any
641 other action on behalf of another person before the authority, the
642 Connecticut Siting Council, the Office of Policy and Management or
643 the Commissioner of Environmental Protection.

644 (k) No commissioner of the authority shall, for a period of one year
645 following the termination of his or her service as a commissioner,
646 accept employment: (1) By a public service company or by any person,
647 firm or corporation engaged in lobbying activities with regard to
648 governmental regulation of public service companies; (2) by a certified
649 telecommunications provider or by any person, firm or corporation
650 engaged in lobbying activities with regard to governmental regulation
651 of persons, firms or corporations so certified; or (3) by an electric
652 supplier or by any person, firm or corporation engaged in lobbying
653 activities with regard to governmental regulation of electric suppliers.
654 No such commissioner who is also an attorney shall in any capacity,
655 appear or participate in any matter, or accept any compensation

656 regarding a matter, before the authority, for a period of one year
657 following the termination of his or her service as a commissioner.

658 Sec. 15. Section 16-245l of the general statutes is repealed and the
659 following is substituted in lieu thereof (*Effective October 1, 2010*):

660 (a) The Department of Public Utility Control shall establish and each
661 electric distribution company shall collect a systems benefits charge to
662 be imposed against all end use customers of each electric distribution
663 company beginning January 1, 2000. The department shall hold a
664 hearing that shall be conducted as a contested case in accordance with
665 chapter 54 to establish the amount of the systems benefits charge. The
666 department may revise the systems benefits charge or any element of
667 said charge as the need arises. The systems benefits charge shall be
668 used to fund (1) the expenses of the public education outreach
669 program developed under subsections (a), (f) and (g) of section 16-
670 244d other than expenses for department staff, (2) the reasonable and
671 proper expenses of the education outreach consultant pursuant to
672 subsection (d) of section 16-244d, (3) the cost of hardship protection
673 measures under sections 16-262c and 16-262d and other hardship
674 protections, including, but not limited to, electric service bill payment
675 programs, funding and technical support for energy assistance, fuel
676 bank and weatherization programs and weatherization services, (4) the
677 payment program to offset tax losses described in section 12-94d, (5)
678 any sums paid to a resource recovery authority pursuant to subsection
679 (b) of section 16-243e, (6) low income conservation programs approved
680 by the Department of Public Utility Control, (7) displaced worker
681 protection costs, (8) unfunded storage and disposal costs for spent
682 nuclear fuel generated before January 1, 2000, approved by the
683 appropriate regulatory agencies, (9) postretirement safe shutdown and
684 site protection costs that are incurred in preparation for
685 decommissioning, (10) decommissioning fund contributions, (11) the
686 costs of temporary electric generation facilities incurred pursuant to
687 section 16-19ss, (12) operating expenses for the Connecticut Energy
688 Advisory Board, (13) costs associated with the Connecticut electric

689 efficiency partner program established pursuant to section 16-243v,
690 (14) reinvestments and investments in energy efficiency programs and
691 technologies pursuant to section 16a-38l, costs associated with the
692 electricity conservation incentive program established pursuant to
693 section 119 of public act 07-242*, (15) operating expenses and costs
694 associated with the Division of Electricity Policy and Procurement, and
695 [(15)] (16) legal, appraisal and purchase costs of a conservation or land
696 use restriction and other related costs as the department in its
697 discretion deems appropriate, incurred by a municipality on or before
698 January 1, 2000, to ensure the environmental, recreational and scenic
699 preservation of any reservoir located within this state created by a
700 pump storage hydroelectric generating facility. As used in this
701 subsection, "displaced worker protection costs" means the reasonable
702 costs incurred, prior to January 1, 2008, (A) by an electric supplier,
703 exempt wholesale generator, electric company, an operator of a
704 nuclear power generating facility in this state or a generation entity or
705 affiliate arising from the dislocation of any employee other than an
706 officer, provided such dislocation is a result of (i) restructuring of the
707 electric generation market and such dislocation occurs on or after July
708 1, 1998, or (ii) the closing of a Title IV source or an exempt wholesale
709 generator, as defined in 15 USC 79z-5a, on or after January 1, 2004, as a
710 result of such source's failure to meet requirements imposed as a result
711 of sections 22a-197 and 22a-198 and this section or those Regulations of
712 Connecticut State Agencies adopted by the Department of
713 Environmental Protection, as amended from time to time, in
714 accordance with Executive Order Number 19, issued on May 17, 2000,
715 and provided further such costs result from either the execution of
716 agreements reached through collective bargaining for union
717 employees or from the company's or entity's or affiliate's programs
718 and policies for nonunion employees, and (B) by an electric
719 distribution company or an exempt wholesale generator arising from
720 the retraining of a former employee of an unaffiliated exempt
721 wholesale generator, which employee was involuntarily dislocated on
722 or after January 1, 2004, from such wholesale generator, except for

723 cause. "Displaced worker protection costs" includes costs incurred or
724 projected for severance, retraining, early retirement, outplacement,
725 coverage for surviving spouse insurance benefits and related expenses.
726 "Displaced worker protection costs" does not include those costs
727 included in determining a tax credit pursuant to section 12-217bb.

728 (b) The amount of the systems benefits charge shall be determined
729 by the department in a general and equitable manner and shall be
730 imposed on all end use customers of each electric distribution
731 company at a rate that is applied equally to all customers of the same
732 class in accordance with methods of allocation in effect on July 1, 1998,
733 provided the system benefits charge shall not be imposed on
734 customers receiving services under a special contract which is in effect
735 on July 1, 1998, until such special contracts expire. The system benefits
736 charge shall be imposed beginning on January 1, 2000, on all customers
737 receiving services under a special contract which are entered into or
738 renewed after July 1, 1998. The systems benefits charge shall have a
739 generally applicable manner of determination that may be measured
740 on the basis of percentages of total costs of retail sales of generation
741 services. The systems benefits charge shall be payable on an equal
742 basis on the same payment terms and shall be eligible or subject to
743 prepayment on an equal basis. Any exemption of the systems benefits
744 charge by customers under a special contract shall not result in an
745 increase in rates to any customer.

746 Sec. 16. (NEW) (*Effective October 1, 2010*) Notwithstanding any
747 provision of the general statutes, each full-time employee or
748 permanent part-time employee of the Office of Policy and
749 Management whose primary duties involve electricity policies and
750 programs shall be transferred to the Division of Electricity Policy and
751 Procurement, in accordance with the provisions of this section and
752 sections 4-38d, 4-38e and 4-39 of the general statutes.

<p>This act shall take effect as follows and shall amend the following sections:</p>
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Section 1	<i>October 1, 2010</i>	New section
Sec. 2	<i>October 1, 2010</i>	16a-3b
Sec. 3	<i>October 1, 2010</i>	16a-3c
Sec. 4	<i>October 1, 2010</i>	New section
Sec. 5	<i>October 1, 2010</i>	16-244c(c)
Sec. 6	<i>October 1, 2010</i>	New section
Sec. 7	<i>October 1, 2010</i>	16-4
Sec. 8	<i>October 1, 2010</i>	16a-3
Sec. 9	<i>October 1, 2010</i>	4-65a(a)
Sec. 10	<i>October 1, 2010</i>	4a-57(e)(2)
Sec. 11	<i>October 1, 2010</i>	16-19e(c)
Sec. 12	<i>October 1, 2010</i>	16a-48(d)
Sec. 13	<i>October 1, 2010</i>	16-246e
Sec. 14	<i>from passage</i>	16-2
Sec. 15	<i>October 1, 2010</i>	16-245l
Sec. 16	<i>October 1, 2010</i>	New section

Statement of Purpose:

To establish a Division of Electricity Policy and Procurement.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]